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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE PRESENTATION

Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: In the Matter of Implementation of the Local Competition Provisions in
the Telecommunications Act of 1996, CC Docket No. 96-98

Dear Ms. Salas:

The purpose of this letter is to describe how Z-Tel Network Services, Inc. ("Z-Tel") will be impaired in its provision of residential local exchange and interexchange telecommunications services without continued access to incumbent local exchange carrier ("ILEC") Advanced Intelligent Network ("AIN") databases.

Z-Tel's Residential Market Strategy

Z-Tel provides local exchange, interexchange, and Internet access services to residential customers in New York, and Z-Tel presently is working to enter local residential markets in Texas. As an integrated part of its telecommunications packages, Z-Tel provides self-provisioned voice mail, "follow-me" service, and group-messaging capability, among other services. With Z-Tel's voice mail service, consumers receive a local central mailbox for all of their voice, fax, and email messages (Z-Tel email can be accessed by a traditional web-browser or through a standard touch-tone telephone). Z-Tel's follow-me service transfers in-bound calls to any telephone or series of telephones (similar to a hunt group) specified by the consumer. Z-Tel's group-messaging feature allows an individual to "broadcast" voicemail messages to groups of people, rather than having to send the same message multiple times to reach the target group. For Z-Tel to deliver these features and functions to consumers in an integrated, seamless manner, Z-Tel needs access to the ILECs' AIN platform.

Z-Tel's residential offering in New York is possible only because the New York Public Service Commission ("NYPSC") has required Bell Atlantic-New York to provide unbundled network element ("UNE") combinations, including the UNE platform. In addition, the NYPSC has established cost-based rates for all UNEs, including AIN-related UNEs. Z-Tel is rolling out service in Texas next because the Texas Public Utility Commission has taken similar action to encourage the development of residential competition. If a UNE-P offering were to become available throughout the country, Z-Tel would pursue an aggressive nationwide rollout of its innovative residential service offerings.

The Need for Continued AIN Database Access

Presently, ILECs will not permit competitors, such as Z-Tel, to self-provision AIN databases (known as "third-party" databases) that utilize the ILECs' signaling network. ILECs believe that such third-party access could "harm" the local network, and while the Commission has previously suggested that competitors should have some type of third-party access,¹ no such requirement exists today.² Because Z-Tel utilizes ILEC unbundled local switching, Z-Tel has no choice but to purchase associated ILEC signaling. No means exists to self-provision local signaling when purchasing unbundled local switching.³ Because ILECs will not permit competitors to link third-party AIN databases to the ILEC signaling network, Z-Tel and others have no choice but to rely on the ILEC for access to AIN functionalities.

Recognizing that competitors relying on local switching would have no means of self-provisioning AIN features without third-party database access, the Commission has required ILECs to offer competitors access to the ILECs' service creation environment and service management system for provisioning and utilizing AIN databases.⁴ While Z-Tel would prefer to self-provision its AIN databases (through third-party access), it is working with Bell Atlantic in New York to utilize the AIN access provided for by this Commission as implemented by the NYPSC. Without the AIN access available in New York, Z-Tel's ability to develop and deliver integrated calling features to consumers would be effectively eliminated, which would make Z-

¹ *Intelligent Networks*, CC Docket No. 91-346, Notice of Proposed Rulemaking, 8 FCC Rcd 6813 (1993).

² *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499, 15750-51 (1996) ("*Local Competition Order*") (subsequent history omitted) (indicating that the record lacked enough evidence to determine the technical feasibility of interconnecting third-party call-related databases to an ILEC's signaling network).

³ Although Z-Tel self-provisions signaling for its long distance services and between its seven Z-node databases, such self-provisioning is not possible when relying on ILEC local switching.

⁴ *Local Competition Order* at 15747-49.

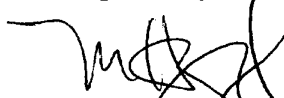
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Tel's residential service offerings much less attractive to consumers in New York. Moreover, without the added revenue from vertical services, providing residential services would be much less attractive to Z-Tel. Thus, Z-Tel submits that it is critical that the Commission affirm that ILECs must continue to provide competitors with access to the ILECs' AIN platform for service creation.

Conclusion

Z-Tel is developing and deploying innovative packages of telecommunications services to residential consumers over the UNE-P in New York. Z-Tel is working to rollout similar services to residential consumers in Texas and will aggressively deploy its residential products in other states based on the availability of the UNE-P. A substantial attraction of Z-Tel's residential service (for consumers as well as Z-Tel) is the innovative vertical features that Z-Tel has developed and is continuing to develop. To integrate these service seamlessly with a consumers' local exchange service, Z-Tel needs to deploy AIN-based services. At present, ILECs will not permit competitors to interconnect third-party databases with the ILECs' signaling network, making it impossible for Z-Tel and others to self-provision AIN-based services. Therefore, the Commission should reaffirm the determinations made in the *Local Competition Order* and continue to require ILECs to provide competitors "with the same access to design, create, test, and deploy AIN-based services" using the ILECs' service management system.⁵

Respectfully submitted,



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⁵ *Id.* at 15747.